

**STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD**

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<b>IN RE:</b>	:	
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<b>REVIEW OF COGENERATION AND SMALL POWER PRODUCTION RULES [199 IAC CHAPTER 15]</b>	:	<b>DOCKET NO. RMU-2016-0006</b>
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**MIDAMERICAN ENERGY COMPANY’S COMMENTS REGARDING THE  
PROPOSED REVISIONS OF 199 IAC CHAPTER 15**

COMES NOW, MidAmerican Energy Company (“MidAmerican”), and submits its Statement of Position in response to the Iowa Utilities Board (“Board”) Order Requesting Stakeholder Comments on Potential Rule Changes (“Order”) issued July 19, 2016 regarding the Board’s Cogeneration and Small Power Production Rules.

**INTRODUCTION**

MidAmerican is a rate-regulated public utility providing electric and natural gas public utility service. MidAmerican provides electric public utility service at retail to approximately 752,000 electric customers and 733,000 natural gas customers in a 10,600-square mile area in Iowa, Illinois, South Dakota and Nebraska. As a rate-regulated electric public utility, MidAmerican’s retail rates are subject to the authority of the Board. MidAmerican also has (or will have) relationships with customers that are seeking to install private generation covered by the proposed rules in this docket. Accordingly, MidAmerican will be affected by any rules adopted by the Board in this rulemaking proceeding.

In its Order, the Board explained it is conducting a comprehensive review of its administrative rules in accordance with Iowa Code § 17A.7(2). Order at 1. The purpose of the

Board's comprehensive review is to identify and update or eliminate rules that are outdated, redundant, inconsistent, or incompatible with statutes and other administrative rules. *Id.* This docket was initiated to review the Board's rules in 199 Iowa Administrative Code Chapter 15, Cogeneration and Small Power Production Rules. Based on the Board's preliminary review, the Board is proposing amendments to certain provisions of Chapter 15. The Board invited interested parties to file comments on the Board's proposed revisions and on any other revisions in Chapter 15. MidAmerican appreciates the opportunity to comment on the Board's proposed changes and supports most of the proposed changes, many of which were suggested by participants in the Board's notice of investigation docket on distributed generation resources, NOI-2014-0001.

The proposed rule changes include modifications to the Board's interconnection rules in Chapter 15, as well as rules relating to wind and renewable energy tax credits. MidAmerican's comments focus on the interconnection rules.<sup>1</sup> The Chapter 15 rules relate, in part, to the interconnection of private generation facilities located on or at a customer's premises. These rules are, at their core, safety rules that provide processes and procedures for the safe interconnection and operation of private generation.

MidAmerican is committed to the safety of its customers, its employees, electrical contractors and emergency personnel who may come in contact with private generation systems in Iowa. The Board's fundamental principle with respect to these interconnection rules should be the development of standards that provide for the highest level of safety and rules that ensure the

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<sup>1</sup> Due to the similarity and connection between the rules in Chapters 15 and 45, many of the comments provided here will also be identified in MidAmerican's comments to the Chapter 45 rules. Those comments will be made in response to the Board's Order Commencing Rule Making in Docket No. RMU-2016-0003.

integrity and reliability of the electric system.<sup>2</sup> The interconnection process must be efficient for customers, but the rules should not compromise safety in favor of efficiency.

## COMMENTS

### **1. The definition of “disconnection device” should be clarified (Amended Rule 1999 IAC 15.1).**

MidAmerican supports the inclusion of the definition of “disconnection device” in the rules. This will make clear what types of devices are allowed to meet this important safety requirement. However, the definition proposed appears to be too broad, and would allow for devices that disconnect the main service, rather than having the disconnection isolated to the private generation facility. Specifically, MidAmerican encourages the Board to consider modifying this definition as follows:

“Disconnection device” means a lockable visual disconnect or other disconnection device, ~~such as, but not limited to, a service disconnect, gang operated main disconnect, or breaker~~ capable of isolating, disconnecting and de-energizing the residual voltage in a customer-sited private distributed-generation facility subject to the requirements of Chapters 15 and 45.”

MidAmerican notes that the term “distributed generation facility” in this definition is not otherwise defined in the proposed rule. The modifications proposed above are intended to bring more clarity as to what the rule is covering.

### **2. The definition of “model interconnection agreement” cites to a rule that appears to be eliminated in Chapter 45. (Amended Rule 1999 IAC 15.1).**

The definitions section of the proposed Chapter 15 rules cites to a “model interconnection agreement” in 199 IAC Chapter 45. Currently, the interconnection agreement forms are found in 199 IAC 45.14 (Level 1 standard application form and distributed generation interconnection agreement) and 199 IAC 45.17 (Level 2 to 4 standard distributed generation interconnection

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<sup>2</sup> See e.g., *In Re: Distributed Generation*, Docket No. NOI-2014-0001, MidAmerican Energy Company Response to Initial Comments of Participants Regarding Net Metering at 1-2 (July 15, 2015); MidAmerican Energy Company Additional Comments (November 6, 2015).

agreement). However, it appears that the Board's proposed rule changes to Chapter 45 would remove these agreements from the rules, and instead maintain them on the Board's website. MidAmerican will address the issues surrounding taking these forms and processes out of the Board's rules in subsequent comments on the Chapter 45 rules and in response to the August 8, 2016 Order Requesting Comments on Proposed Forms and Processes in Docket No. RMU-2016-0003.

**3. The reduction in reporting requirements is positive; but discretion should be maintained to allow for confidentiality of customer information. (Amended Rule 1999 IAC 15.3).**

The Board proposes to change the current bi-annual filing requirements in 199 IAC 15.03 into a single informational filing that will be due along with the annual report required under Chapter 23. This reduction in reporting is a good development that is supported by MidAmerican. Any time that reporting requirements are streamlined or reduced, efficiency can be increased for both the utilities and the Board.

However, the intersection of the proposed Chapter 15 rules with the modifications proposed in the Chapter 45 rules (RMU-2016-0003) cause a concern. Specifically, the modifications in the Chapter 45 rules require that the utility file the information on a non-confidential basis. *See*, Docket No. RMU-2016-0003, Draft Rule 45.13(2). MidAmerican (and Interstate Power and Light Company) have filed this information on a confidential basis because the information contains customer-specific information, and releasing the information serves no public purpose. *See e.g.*, Semi-Annual Compliance Filing, Docket No IAC-2016-1503 (May 2, 2016). The Board has accepted this confidential treatment in the past, and no parties have challenged the

confidential designation. Accordingly, MidAmerican requests that the rules be revised to allow information that is required through this annual report be filed confidentially.<sup>3</sup>

**4. Amended Rule 15.10 Establishes Important Safety Requirements. (Amended Rule 199 IAC 15.10).**

As noted in earlier comments, MidAmerican has been a strong advocate for rules that require disconnection devices and informational placards to provide information to make utility and emergency personnel aware of the existence of the generating or energy storage facilities on customer premises.<sup>4</sup> MidAmerican supports the Board's proposed language which ensures that this information is available and visible to emergency responders.

MidAmerican notes, however, that the draft rules establish a penalty for failure to comply with the notice requirements that is inconsistent with MidAmerican's earlier comments. Specifically, draft rule 15.10(3)"f" establishes that failure to comply with the rule's requirements allow the utility to disconnect the *customer* pursuant to the Chapter 20 procedures. MidAmerican suggested (and continues to believe) that the penalty should be disconnection of the private generation or storage device, and not the customer's utility service. Among other things, this change would make the rule consistent with the safety inspection standard that is set forth in this same rule. *See* Draft Rule 15.10(5). This proposed rule establishes the penalty for failure to comply with the safety inspection rules is the disconnection of the facility, until the customer is in compliance with that rule.

To provide for this more reasonable outcome for customers, and to make the rule internally consistent, MidAmerican proposes the following rule language:

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<sup>3</sup> MidAmerican will file a similar comment with respect to the Chapter 45 rules as well.

<sup>4</sup> *See e.g., In Re: Distributed Generation*, Iowa Utilities Board Docket No. NOI-2014-0001, MidAmerican Energy Company Additional Comments at pp. 4-5 (November 6, 2015).

~~“f. If A~~an interconnection customer ~~failing~~ to comply with the foregoing requirements, the electric utility may require disconnection of the applicant’s facility until ~~it complies with this chapter~~ ~~may be disconnected as provided in 199 Chapter 20.~~ The disconnection process details shall be provided in individual electric utility tariffs or the interconnection agreement.”

Additionally, MidAmerican encourages the Board to include a provision that would allow MidAmerican to recover any costs associated with reconnection of private generation or storage facilities that are disconnected because of a failure to comply with the Chapter 15 rules. While this may be the implied outcome (e.g., any disconnected customer would have to reapply for connection and bear those costs), it is preferable to have this identified in the rule. MidAmerican proposes the following addition to the rule to establish this outcome:

“Reconnection. If a customer’s facility is disconnected due to non-compliance with sections 15.10(3) or 15.10(5) of this chapter, the customer shall be responsible for payment of any costs associated with reconnection of the facility once it is in compliance with the rules.”

## **5. Additional Comments**

The Board also requested comments on additional items. Order at 6. With respect to whether it is necessary to continue to require that rate-regulated utilities to provide for seasonal differential and time of day rates. *Id.* MidAmerican’s tariff currently provides for seasonal differentials and optional time of day rates. If experience shows that these offerings are no longer needed or are no longer just and reasonable, MidAmerican will bring this issue to the Board’s attention. However, no changes are needed at this time.

The Board also requested comments on whether the reporting requirements in Section 15.17(4)-(5) can be amended. As noted above, MidAmerican is supportive of rule changes that streamline the process or increase efficiency. MidAmerican believes that the information reported under sections (4) and (5) of this rule remains relevant and provide valuable information to the Board and to customers, particularly the information about the fuel mix percentages

identified in section 15.17(5). To the extent the reporting requirements become overly burdensome in the future, MidAmerican will provide additional feedback to the Board.

WHEREFORE, MidAmerican Energy Company respectfully requests that the Board give these comments due consideration as it develops rules in this proceeding.

Dated this 18<sup>th</sup> day of August, 2016.

Respectfully submitted,

**MidAmerican Energy Company**

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